

Excise Tax Advisory

Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers, however the department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

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PARTS AND REPAIRS FOR FARM MACHINERY OF NONRESIDENTS

Issued November 18, 1966

Does the obligation to collect Washington Retail Sales Tax attach to charges for overhaul and repair of farm machinery and trucks used and owned outside the state?

The law exempts from Retail Sales Tax sales of machinery and implements for use in conducting a farming activity outside the State of Washington when the purchaser is a nonresident and the implements are immediately transported outside the state after the sale.

Insofar as repairs are concerned, the Tax Commission has ruled that:

1. The exemption applies to repair parts and components if attached to the farm machinery or implement when the owner is a nonresident and he immediately removes it to a point outside the state; Provided, the seller obtains the exemption certificate shown in Rule 239 from the buyer.
2. Retail Sales Tax must be charged on all invoices for repair labor and services.
3. If unattached components are picked up locally by an out-of-state farmer and he takes them outside the state, the entire transaction is taxable. (Letter.)

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2- prefix are new advisories, ETBs that have been reviewed, revised, or readopted after review under the Department's regulatory improvement program. or advisories that have been revised and/or readopted

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Please direct comments to:
Department of Revenue
Legislation & Policy Division
P O Box 47467
Olympia, Washington 98504-7467
(360) 753-4161 eta@DOR.wa.gov